

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

65

May 13, 2003

FROM: MARCEL TURNER, Director
Human Resources

SUBJECT: LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

RECOMMENDATIONS:

1. Select Hartford Life to provide Basic Life, Basic and Voluntary Accidental Death and Dismemberment (AD&D), and Voluntary Term Life benefits for all eligible County employees at the rates as shown in Exhibit A (as on file with the Clerk of the Board).
2. Approve contract with Hartford Life for Basic Life, Basic and Voluntary Accidental Death and Dismemberment (AD&D) and Voluntary Term Life benefits for the period of July 26, 2003 through July 25, 2006 with one three-year option to extend the term.

BACKGROUND INFORMATION: On October 22, 2002, the County issued a Request for Proposals (RFP) for Life and Accidental Death and Dismemberment (AD&D) Benefits. The RFP was distributed to 24 potential providers and posted on the County's website. Twelve responses were received by the December 12, 2002 deadline. All responses met both the initial and financial review criteria of the RFP.

On December 18, 2002, the Employee Benefits Advisory Committee (EBAC) began working with the County's consultant, Mercer Human Resource Consulting, to evaluate the technical review criteria of the 12 eligible proposals. The technical review criteria as defined in the RFP included: 1) qualifications and experience in providing life and AD&D benefits; 2) recordkeeping services; 3) range and quality of services; and 4) cost of services, premium rates and underwriting requirements. Based on these criteria, EBAC selected three finalists - Metropolitan Life Insurance Company (MetLife), Hartford Life, and the Pacific Life and Annuity Company.

On January 15, 2003, EBAC interviewed each of the three finalists. The interviews focused on the vendors' customer service access, meeting and/or exceeding current benefit levels, and County billing policies and procedures. Based on these interviews and the technical review criteria, EBAC selected Pacific Life and Hartford Life as the top finalists. EBAC also requested Employee Benefits and Services staff to clarify with Pacific Life and Hartford Life the benefit enhancements and premium rates based on their proposed fully pooled options. Under a fully pooled option, the provider takes the full risk and surpluses/deficits are not carried forward from year to year. Based upon the responses, EBAC unanimously recommended Hartford Life as the service provider of choice for Basic Life, Basic and Voluntary Accidental Death and Dismemberment (AD&D) and Voluntary Term Life.

Page 1 of 2

Record of Action of the Board of Supervisors

65

**BOARD OF SUPERVISORS
LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

May 13, 2003

Page 2 of 2

65

REVIEW BY OTHERS: This item has been reviewed by County Counsel (W. Andrew Hartzell, Deputy County Counsel) on April 25, 2003; Purchasing (Allen Sanchez, Buyer) on May 5, 2003; and the County Administrative Office (Daniel R. Kopp, Administrative Analyst) on May 5, 2003.

FINANCIAL IMPACT: Based on current enrollment data, this contract will result in estimated annual savings of \$269,894 to the County and \$349,620 to employees (see Exhibit A).

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's proposal, and recommends this action based on the results of the competitive request for proposals process for these benefits, which are provided in accordance with Memoranda of Understanding, contracts, and salary ordinances.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Robin Ohama, Chief, Employee Benefits and Services Division, 387-5563

65